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Near East/North Africa Report

(FOUO 25/82)



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NEAR EAST/NORTH AFRICA REPORT

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INTER-ARAB AFFAIRS

LIBYA CUTS AID TO LEBANESE NATIONAL MOVEMENT

Paris AL-WATAN AL-'ARABI in Arabic No 262, 19-25 Feb 82 p 35

[Text] Beirut. Once again Damascus tried, through Amal and none other, to make Yasir 'Arafat understand that it alone possesses the key to tranquility in the parts of Lebanon heavily populated by Palestinians.... After the last battles between Amal and the communists and the Palestinians, the Syrian authorities advised 'Asim Qansuh to arrange a meeting in his house to put an end to the fighting between the "Sons of the Unified Rank," and he did so.

The meeting, which was attended by members of the National Movement and the Palestine Resistance, confirmed Damascus' desire to keep Amal in the Syrian orbit and its other desire to brandish the Shi'ah stick in the face of the Palestinians whenever the need to do so dictates.

However, the meeting between Yasir 'Arafat, Muhsin Ibrahim (of the Communist Workers Party), and Nabih Barri (of Amal) in the home of the Lebanese secretary of the ruling party in Damascus was motivated by other factors, most prominently the continuous Israeli threats of a "preventive war" in the South. This is not the time to settle domestic accounts. Then there is the effort being made by the Lebanese government at this stage to enlarge the area patrolled by the international forces in the South in order to assure the further spread of the army in the Palestinian and non-Palestinian areas, and in effect, bring these measures to the level of military resistance proper.... Very crucial issues are at stake, so partisan battles must be halted until further notice.

The Libyan Surprise

While AL-MASLAHAH was arranging for Syrian-Lebanese coordination, news from Tripoli (in Libya) brought by the Libyan People's Bureau (the Libyan Embassy) in Beirut indicated that Col Muammar Qadhafi had decided to cut in half aid for the parties of the Lebanese National Movement, effective the month of February, although the parties of the National Movement separately, including the central political council, had not received any aid from Libya for the last 3 months. The Libyans ascribed the delay in offering the said aid to the crisis from which the Libyan treasury has been suffering for several months due to the decline in Libyan oil production.

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Officials of the Libyan People's Bureau on Wednesday, 9 February presented the national parties with half the amounts allocated to them in the hope that the situation would improve in the near future and thus permit the "compulsory deduction" to be canceled.

It is worth noting that the amounts received monthly by these parties before the "deduction" varied from \$50,000 to \$200,000 according to the degree of support they showed for Libyan policy. Among the major aid recipients are the Syrian National Socialist Party and the Arab Socialist Union. These two parties are wholly dependent on Libyan generosity.

The parties of the Nationalist Movement fear the Libyan decision is the result of the stand taken by the Libyan leaders to exert pressure on these parties to induce them to take more decisive positions in support of Libya politically. The source of their fear is that this aid covered a large part of the military efforts of these parties which relied from the beginning of the events on the principle of "unloading" those elements which demand as much as thousands of liras monthly. There is no doubt that the Libyan "rationing" of aid will adversely affect the financing of the parties' "armies" and then the financing of their information programs (newspapers, magazines, broadcasts).

Some of the parties which had misgivings about the step taken by the Libyans were genuinely disturbed. Some leaders wondered about the reason for this Libyan restraint in paying its obligations and whether the step was a reaction to the failure of Qadhdhafi's endeavor to settle the Lebanese crisis. However, Libyan millions are distributed here and there without limit in most African countries, with no results worth mentioning, under the slogan "Aid for the Liberation Movements." But other sources in the "national parties" assert that the Libyan treasury is experiencing a real crisis and that the decision to cut aid included the Palestinian Resistance with all its groups. The Resistance was placed in a situation which dictated this forced deduction.

Iran Is the Problem

The same sources add that Libya tried in recent months to avert the financial crisis by obtaining Arab loans from some of the Gulf states. It failed to obtain loans of several billion dollars from the Emirates, but it succeeded in Kuwait.

However, other sources affirm that the "financial crisis" through which Libya is passing and which has begun to affect its overall relations with the states and parties and liberation movements was caused not by stagnation in the Libyan oil market but by the large amount of aid that Libya has given to Iran since the beginning of its war with Iraq. This aid has totaled several billion dollars in loans and arms deals.... There are rumors going around that Libya bought some gold in the world markets in behalf of Iran to help it cover the enormous costs of the war.

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On the other hand, it appears that relations between Libya and the parties of the Lebanese National Movement, especially lay parties like the National Socialist Party, the Communist Party, and the Progressive Party, have begun to go through a difficult stage as a result of some of the attitudes exhibited by the Libyan leaders, Col Qadhdhafi in particular. These stands are adversely affecting all positions and attitudes and assumptions in Lebanon. Then too they are fundamentally incompatible with their ideology.

In the course of Col Qadhdhafi's last visit to Algeria and in the presence of National Movement party leaders who at one time used to obey official requests from the Algerian government, the Libyan leader made a comprehensive speech in which he said: "The Christian Arabs are now called upon to determine their status--either become Muslims or become Jews!" That aroused the resentment of all those who heard the speech, especially the Christian Nationalist leaders, including In'am Ra'd and Dr 'Abdallah Sa'adah. After that Col Qadhdhafi intentionally mocked the representatives of the Lebanese Nationalist Movement by proceeding twice to postpone his appointments with them after they waited more than 2 hours each time.

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OPEC AFFAIRS

RECENT DOWNWARD TREND IN OIL PRICES ANALYZED

Reasons for Price Decreases

Paris AL-WATAN AL-'ARABI in Arabic No 265, 12-18 Mar 82 pp 57-58

[Article by Dr Nicola Sarkis]

[Text] "Look for Unemployment and an Economic Recession."

What Does the Decrease in Oil Prices Mean? What Are the Explanations for This Phenomenon? Here We Present an Analysis by, and an Interview with, the Petroleum Expert Dr Nicola Sarkis Who Answers Various Questions Which Have Been Posed Concerning This Matter.

Perhaps the most important decrease in prices has been the one on British oil extracted from the North Sea/M which is called "high-grade type Torties 36.50°." The price per barrel of such oil was \$39.25 on 1 January 1981. Then the price went down to \$36.50 by 1 January 1982, then down to \$35 by 8 February 1982, and finally stabilized at the fundamental price of \$31 as of 1 March 1982. Thus its price became \$3 less than the marker price of Arabian light crude (which is of a lower grade), which OPEC had set at \$34.

But let us go back to very recent times.

When the Iraqi-Iranian war began in September 1980, the Western nations were afraid that a crisis in their oil supplies would occur. They took rapid precautionary measures which had the objective, among other things, of providing a permanent reserve stockpile (in storage tanks in the West) which would be the equivalent of from 110 to 120 days of oil consumption. Commentaries began to focus on the imminent occurrence of a sharp rise in prices as a result of the decrease in volume of exports from both Iraq and Iran. An increase did occur on 1 January 1981, but it was not so sharp. The increase ranged between 20 percent (Arabian light crude) and 25 percent (Nigerian crude). Then it was said that this would serve to restore a balance in supply and demand and would thus absorb the additional quantities offered in the free markets. But this balance was not restored.

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The question which suggests itself is: What are the reasons for the decrease in oil prices for the first time, after prices had always tended to rise? In other words, if bringing supply in line with demand is what determines the price, how do we justify the decrease in the price of oil and the existence of a significant oil glut in spite of the continual decrease in oil production?

The fact is that supply decreased, but demand decreased even more. This decrease in the amount of world oil consumption was the result of two principal combined factors, which were:

1. A continuation of the phase of economic recession in the industrial Western nations, which are the principal consumer nations of oil. The longer the recession lasts, the less need there is for energy.

2. Resorting to extensive use of alternative sources of energy. To this we must add two other elements, no less important than the two above-mentioned reasons, which relate to the OPEC nations. During the last few years there has been a production increase in several oil-producing areas of the world which are outside the scope of OPEC. In addition to this, OPEC, as an organization which embraces 13 oil-producing countries, has been unable to establish a comprehensive plan which takes into consideration the factors and dimensions of the crisis and which constitutes a long-range scientific and well-planned response [to the crisis].

Let us review these factors.

Unemployment and Inflation

The Western industrial nations (the 17 industrially-advanced Western nations embraced by the OECD [Organization for Economic Cooperation and Development]) are suffering from unemployment. Between the years 1970 and 1980 the number of persons out of work in those countries doubled. By the middle of 1982 the number of unemployed persons in those countries will be three times what it was in 1970, that is, within 1 1/2 years (from 1 January 1981 to 30 June 1982) unemployment will have increased as much as it did during all 10 of the previous years (from 1970 to 1980). By 30 June 1982 the number of unemployed persons will be 28.5 million, and this will constitute 8 percent of these countries' labor force. Of this total, 16.5 million persons are in the countries of Western Europe alone. If we take into consideration the rate of population increase and improvement in productivity, these nations will have to increase their production at a rate of 3 percent per year if they want their total number of unemployed persons not to go beyond the figure of 28.5 million. The estimates are that the increase in GNP in these industrial nations in 1982 will be less than 3 percent. This means that there will be an increase in the number of unemployed from now till several years in the future (till 1985) if we accept the hypothesis of the long-term economic cycle called the Kondratiev Cycle.

One factor which increases the unemployment is the increase in the banks' interest rates in an attempt to put a stop to inflation. This rate of inflation differs from country to country, in accordance with each country's economic situation. Among the principal industrial countries, Britain, Italy, and France have the highest rates of inflation.

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Inflation puts a brake on investments and the existence of unemployment increases the financial deficit of the public sector. The result of this is less production and therefore there is less need for energy. Is the situation, then, really a bad one? The answer to this is an unequivocal "no." Growth is slow in comparison with previous times when growth was more rapid and more obvious. This "weak" growth represents a much sounder situation than the situation in the non-oil-producing nations of the Third World. The reason that special emphasis is given to the phase of economic recession in the Western nations is the fact that the West is the main importer and consumer of oil.

[Insert] Oil Inside and Outside OPEC

1970: The OPEC nations produce two-thirds of the oil produced in the world.

1974: The OPEC nations produce the largest quantity of oil in their history (31.4 million barrels a day), but the percentage of their production goes down to 50.6 percent of the world's total production.

1981: The OPEC nations produce no more than an average of 22.5 million barrels a day. Their percentage of production goes down to 42.86 percent of the world's production.

1982 (first 3 months): The daily average production of the OPEC nations is 19.8 million barrels, and they produce 41.25 percent of the world's production.

Changes in Daily Production Averages
(in millions of barrels)

	1974	1977	1980	1981	1982 (3 months)
OPEC countries	30.7	31.4	27.0	22.5	19.8
Countries outside OPEC	27.4	30.7	32.7	30.0	28.2
Total World production	58.1	62.1	59.7	52.5	48.0
Percentage of production outside OPEC	47.16	49.4	54.77	27.14	58.75

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Steps Recommended for OPEC

Paris AL-WATAN AL-'ARABI in Arabic No 265, 12-18 Mar 82 pp 58-59

[Interview with Dr Nicola Sarkis, By Anis Sennu: "OPEC Lacks Planning and Needs to Decrease Production"; date and place of interview not specified]

[Text] Dr Nicola Sarkis is an Economics Expert in Oil Affairs. For the last 6 years he has been head of the Arab Center for Petroleum Studies in Paris. He is an important authority concerning everything having to do with Arab oil.

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[Question] Did the crisis in oil prices begin when the marker price (the price of Arabian light crude) went beyond the level of \$30 per barrel last year?

[Answer] It is true that oil prices rose fast between the years 1978 and 1980, that is, during the course of about 2 years. The so-called "marker price", that is, the price of Saudi Arabian light crude oil, rose during this period from \$12 per barrel to \$32 per barrel, and then went up to \$34 per barrel in 1981. In other words, the price nearly tripled. But price increases were even greater for oil from a number of other countries (for example, countries in North Africa, Nigeria, and the North Sea countries). Certainly these price increases took place rapidly. Also, another great increase occurred during the October War of 1973. The price per barrel went up from \$1.80 to \$6 and \$7, and later on to \$12. All of this happened during the course of 2 years. All of this is a fact. But it is also a fact that this increase was a type of reaction. What I mean by this is that oil prices, for a long period of time, remained on a very low level and did not increase. This made the purchase value of oil decrease at a time when the prices of all other materials, during the quarter century before 1973, increased. There were no increases in oil prices, and in fact there was a decrease in prices during the late fifties.

Political circumstances which emerged in the Middle East during late 1978 and 1979 set the stage for a new jump in prices from \$12 per barrel to \$34 per barrel. It would have been better if this had not happened during such a short period of time, but rather if the prices had increased gradually and in a controlled manner, with consideration being given to the inflation which was taking place in the world and to the pressing and urgent need to develop both new sources of oil and alternative sources of energy to cover the world's energy needs.

OPEC was not able to establish a program of controlled price increases because of the great pressures being exerted by the large industrial nations.

In short, the level of prices reached in 1981 was not an unreasonable price level. OPEC is not the only organization which determines oil prices. Prices are also set by non-OPEC nations such as Mexico, Britain, and even the U.S. In 1979 and 1980, the U.S. administration was selling oil produced from government-owned areas at prices which were higher than OPEC prices. There was no justification for these high U.S. prices.

[Question] Is it not true that even the price of Soviet oil went up whenever OPEC prices went up?

[Answer] Yes, this is true. The point that I am trying to make is that there are other parties, outside of OPEC, which are pursuing the policy of setting high prices. As an example of this, let me mention an incident which occurred in 1972. On 1 June 1972, when Iraq nationalized the Iraqi Petroleum Company [IPC], this coincided with the holding of an Arab petroleum conference in Algeria. I was one of those who participated in the conference. Another of those invited to the conference was an American whose name was James Aikens who, at that time, held the position of director of the Office

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of Energy in the U.S. State Department and was one of Nixon's advisers on oil affairs. (Later on he became the U.S. ambassador to Saudi Arabia.) At the conference Mr Aikens gave a speech in which he said that oil prices would go up and that some nations would raise their oil prices from \$1.8 per barrel to \$4 and \$5 per barrel. I personally was astonished to hear this, and all of the others attending the conference were astonished to hear this because at that time nobody had even thought of such large increases, but [apparently] the U.S. Government had been thinking in these terms. The U.S. point of view was that if it was necessary to develop new sources of energy, then it was necessary for the price of oil to go up. If the price of oil remained low, then there would be no justification for searching for new sources [of oil] and the U.S. would remain dependent on the oil-exporting nations.

So there is no doubt that the increase in prices is in the interest of oil-exporting nations, but it is also not in conflict with the desire on the part of some of the industrial nations, including the U.S., to raise the prices of oil for various reasons of their own.

One interesting fact is that after the years 1973 and 1974 the European Common Market nations decided to set a minimum price of \$7 per barrel for the importation of oil. This price was three times what the price was before the 1973 War. Their purpose for doing this was to protect the oil produced in the North Sea area, which is oil which costs a great deal to extract. It should be noted--and this is something which is very important--that the International Energy Organization, which was basically created in order to deal with OPEC, has stated that it is alarmed about the current decrease in the price of crude oil which has taken place. The reason for this organization's alarm is the fact that cheap oil will lead to a slowdown in efforts to conserve energy and develop alternative sources of energy.

The Price Can Go Down Even More

[Question] How far will the decrease in prices go? Will the marker price remain \$34 when the price of North Sea oil has gone down to \$31 and at a time when other nations such as Iran have begun to pursue a policy of drastically lowering their prices because of their urgent need for cash?

[Answer] If the OPEC nations do not reach an agreement, or if some other event does not occur, it will prove to be impossible to maintain current official prices. As I have already said, there are nations which have stated that they will not adhere to official prices. If no agreement is reached to undertake a large decrease in production, prices could go down to \$30 or even \$25 per barrel. In my opinion, it is necessary to decrease production at least to the point where the glut in the market will be absorbed.

[Question] How large is this glut?

[Answer] In purely mathematical terms this surplus amounts to 2 or 3 million barrels per day. But we should not forget that there is also a psychological aspect to this matter. Right now there is a tendency toward lowering the prices, [and this means that] the prices actually will decrease.

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[Question] You mentioned that the oil surplus, mathematically speaking, is from 2 to 3 million barrels per day. The fact is that in the years 1981 and 1982 there was a noticeable decrease in OPEC's production. In 1981 the daily average production was 22.5 million barrels. During the first 2 months of 1982 this daily average production did not exceed 19.8 million barrels. What this means is that during this short period of time the total decrease in production was more than the oil surplus [in the market]. Nevertheless, the price of oil went down. Does this not indicate that there are other factors at work besides the psychological factor?

[Answer] Undoubtedly there are. There is the factor of the economic recession which has been accompanied by the development of new sources of oil and the development of new alternative sources of energy.

[Question] What have been the repercussions of the decrease in prices as far as the non-oil-producing nations of the Third World are concerned?

[Answer] In the short run the nations of the Third World will benefit from the decrease in oil prices. But cheap oil will curtail programs involving the search for new sources [of oil] in the nations of the Third World, especially in Africa.

[Question] What should OPEC do if it wants to [successfully] deal with this matter?

[Answer] OPEC should establish a comprehensive plan (dealing with prices and production quantities) which takes into consideration the situation which OPEC's member nations find themselves in, takes into consideration their need for development, and also takes into consideration the world economy's need for oil and the given factors of this world economy. Up till now OPEC has not engaged in any planning which could be called comprehensive planning. This is regrettable. So far OPEC's role has been restricted to its policy of setting prices, and it has not expanded beyond this framework.

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IRAQ

TEXT OF TRADE AGREEMENT WITH USSR

Moscow FOREIGN TRADE in English No 5, May 82 p 52

[Text]

The Government of the Union of Soviet Socialist Republics and the Government of the Republic of Iraq,

Inspired by the desire to consolidate and expand trade relations between both countries on the basis of equality and mutual benefit,

Have agreed as follows:

Article 1

1. The trade turnover between the Union of Soviet Socialist Republics and the Republic of Iraq shall be effected on the basis of Lists « A » and « B », attached hereto.

2. List « A » shall include goods designated for export from the Republic of Iraq to the Union of Soviet Socialist Republics.

3. List « B » shall include goods designated for export from the Union of Soviet Socialist Republics to the Republic of Iraq.

4. Lists « A » and « B » may be amended by agreement between the Governments of both countries.

Article 2

Lists « A » and « B » attached to this Agreement, taking into consideration the amendments which may be introduced therein subject to Article 1 of this Agreement, shall not be limitative. Soviet foreign trade organizations, on the one hand, and Iraqi organizations, physical and legal persons, on the other hand, may conclude with each other commercial transactions for the import and export of goods not included in the said Lists « A » and « B ».

Article 3

The trade turnover between the two countries shall be effected under this Agreement in accordance with laws and rules regulating import and export valid in either country, and on the basis of contracts.

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Article 4

Both Governments shall reciprocally grant each other the most-favoured-nation treatment in all matters pertaining to trade between both countries, including customs duties and any other charges levied on import and export, and also to rules and formalities related thereto.

The provisions of this Article shall not apply to:

1. Privileges and facilities which have or may be extended by one of the Governments to adjacent countries for the purpose of facilitating frontier traffic;
2. Privileges and facilities, including customs ones, which have been extended by one of the Governments on the basis of an agreement or understanding on the establishment of a free trade zone or a customs union;
3. Privileges and facilities which the Republic of Iraq has or may grant to Arab countries;
4. Privileges and facilities which the Union of Soviet Socialist Republics and the Republic of Iraq have granted or shall grant to one or several neighbouring countries.

Article 5

Provisions of this Agreement shall not obstruct the rights of either Government to take measures for prohibiting or limiting the importation and exportation of goods, aimed at ensuring national security, protection of health and life of citizens, and protection of fauna and flora.

Article 6

All payments to be made between the Union of Soviet Socialist Republics and the Republic of Iraq under this Agreement shall be effected in any freely convertible currency by agreement between the contracting parties.

Article 7

Representatives of both Governments may meet to work out annual protocols on trade turnover based on the Lists of goods mentioned in Article 1 of this Agreement, alternately, in Moscow and Baghdad at mutually agreed dates.

Article 8

Representatives of competent authorities of both countries shall meet at mutually agreed dates in order to develop trade between both countries and review the implementation of this Agreement.

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Article 9

Both Governments shall render assistance with regard to participation in international trade fairs held in either country and in the organization of permanent or temporary exhibitions of one country in the territory of the other in accordance with the legislation and rules of either country subject to agreements between the competent authorities of both countries.

Subject to laws and rules in force in either country, both Governments shall permit the importation or exportation with the exemption from the payment of customs duties and any other taxes and charges of:

articles and equipment required for holding international fairs and exhibitions;

articles to be used as trade samples provided they are not intended for sale;

advertising materials the cost or price of which has no commercial value;

exhibits provided under re-export conditions unless competent authorities of both countries agree otherwise;

articles, materials, tools, and devices imported for processing, treatment, use for assembly and/or repair of equipment, or for construction or other work provided they are re-exported.

Article 10

From the date of this Agreement coming into force the Trade Agreement signed between the Union of Soviet Socialist Republics and the Republic of Iraq on October 11, 1958, shall cease to be valid.

Article 11

This Agreement shall be ratified or approved in accordance with the legislation of either country. It shall come into force from the date of exchange of notes confirming the Agreement, and shall be valid for 5 years. It shall be extended for a subsequent 5-year period unless one of the Governments informs the other Government of its intention to terminate it 3 months prior to the expiry of the Agreement.

If one of the Governments wishes to amend this Agreement, it shall inform the other Government in writing at least 6 months prior to the discussion of such a proposal.

Done at Moscow on June 19, 1981, which corresponds to 17th Shaaban 1401 A. H., in two originals, each in the Russian and Arabic languages, both texts being equally authentic.

For the Government of the Union of
Soviet Socialist Republics

I. T. Grishin

For the Government of the Republic
of Iraq

Mahdi Muhsen Auda

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AAAID APPROVES CONTRACTS FOR AGRICULTURAL PROJECTS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1904, 7 May 82 p 1205

[Text] Following lengthy negotiations, the Arab Authority for Agricultural Investment and Development (AAAID), some of whose third development phase projects we explained in our 9 April 1982 issue (p 960), recently awarded the first contracts for the realization of projects included in its first interventionary efforts. The following are especially important: a construction contract for a starch and glucose manufacturing unit awarded to the Belgian company Desmet (civil engineering insured by Six Construct), for an amount of 30 million Sudanese pounds; a construction contract for a dairy entrusted to Danish Turnkey; a contract for the creation of a poultry farm, to the Dutch company HVA.

Moreover, the following projects might be included in the AAAID's realization program, following approval by its administrative board: meat packaging projects--this would involve organizing the livestock markets of Omdurman for the preparation and packaging of 10,000 tons of deboned meat for export; the growing of rice through irrigation from the White Nile at Al-Duwaym; intensive sheep raising for export; the growing of Arabusta coffee in the South-Sudan; development of the Pengko plain, in the province of Jonglei. These five projects should be studied, and bids for limited offers from foreign consultants should be initiated to this end.

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PROGRESS IN ROAD PROGRAM REVIEWED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1903, 30 Apr 82 p 1146

[Text] Many road projects are underway in Sudan and they have reached various stages. The situation in the major projects can be summed up based on information provided by the French office of economic expansion in Khartoum.

--Streets of Khartoum. The Roads and Bridges Corporation (RBC) is repairing one of the city's main arteries, the Sharia El Baladya, using its own materials. There have also been preliminary contacts with the Romanian Government to repair the streets of Ryad, a residential district southeast of the city. The Italian company Recci is said to have offered to send to Khartoum expatriate engineers who will work for the RBC supervising and helping with local operations.

--The Khartoum-Wadi Halfa-Aswan Road. This major road running through Sudan and Egypt over a distance of more than 1,200 kms had already been given an allocation of 300 million lire (an Italian gift) destined to finance a feasibility study. However, this sum is not sufficient. That is why Impresit-Italconsult-Fiat, the consulting consortium chosen to conduct the study, did not pursue this project.

The RBC has also approached the African Development Bank (ADB) with a request for funds.

--Umm Ruwabah-Al-Ubbayyid Road (170 kms) and Dilling-Habilah Road (40 kms). The firm Arabic Engineering House-Dar El Handasa, a Lebanese company, is conducting a feasibility study funded by the World Bank.

--Kashm Al-Qirbah-New Haifa Road (95 kms). Italconsult and Stripe are conducting a feasibility study financed by the World Bank. The estimated cost of building that road is \$60 million and is included in the program of the World Bank. A call for bids will be announced in 1982.

--Al Fashir-Nyala Road (150 kms). The consulting firm Ilaco (Netherlands) and the construction company Steveroads (Netherlands) are working on this project which is financed with a gift of 20 million florins from the Dutch Government.

--Road linking Al-Jayli, Shandi, 'Atbarah and Hayya (450 kms). Feasibility studies for the 'Atbarah-Hayya section and detailed studies for the Al-Jayli-'Atbarah section will be financed with bilateral Italian aid.

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--Khartoum-Wad Madani Road (190 kms). The Arab Fund is financing a feasibility study to double the width of the existing road or, as an alternative, to build a parallel road of the opposite bank of the Blue Nile. The prequalification list of the consultants is being drawn up.

--Khartoum-Jabal Al-Awliya Road. The World Bank is reported to have listed that section in its development program. But first, an economic study will have to be made to assess the feasibility of repairing this road.

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SUDAN

BRIEFS

CANADIANS AID FOREST PROJECTS--Canada is aiding Sudan in several ways. This year it will especially provide \$7 million in food aid to import flour, as well as a \$3 million loan to import capital goods. Additionally, within the framework of its 5-year aid program to Sudan, Canada will finance, for \$12 million, the following forest development projects: construction of a production unit for construction wood at Al-Suki (cost: \$3 million); construction of a sawmill at Subo (\$4.7 million); a forest localization study at Kurmuk and Ingessana (\$500,000); an inventory of forest resources in the provinces of Bahr-Al-Ghazal and Buhayrat (\$2.5 million); the establishment of a coordination center at Khartoum to follow the development of these projects. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1904, 7 May 82 p 1205] [COPYRIGHT: Rene Moreux et Cie Paris 1982] 9927

MINING OF CHROME ORE--Chromite is the principal ore exploited in Sudan. 1981 production is estimated at around 19,000 tons. Sales for 1979-80 and 1980-81 were 19,000 tons and 25,000 tons and brought in a total of \$3 million. Japan was the principal customer (more than 50 percent of the shipments). As for other ores, it should be noted that the American company Minex is soon to begin experimental extraction of gold from the rubble of an old mine, located in the Red Sea region, which dates from the time of the Pharaohs. This same company recently signed a contract for tungsten prospecting in the Es Sabablouga region (Khartoum province). As for the Sudanese Mining Corporation, it has two projects under study: one, in the Khartoum region, involves the production of granite granules; the other, in the Port-Sudan region, involves a gypsum crushing unit. Financing would be local. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1904, 7 May 82 p 1205] [COPYRIGHT: Rene Moreux et Cie Paris 1982] 9927

NEW RVI GARAGE OPENED--The Darfur Public Transport Company's garage was opened last 24 March. Built by Renault Vehicules Industriels (RVI), its \$4.2 million franc cost was insured under the 1978 French-Sudanese protocol. It is to be used for the maintenance unit of the corporation's RVI trucks. The garage is the group's second in Sudan, following that at Wad Madani, which is used for the maintenance of the bus fleet of the Al-Jazirah Public Transport Company. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1904, 7 May 82 p 1205] [COPYRIGHT: Rene Moreux et Cie Paris 1982] 9927

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PEGASO BUSES PURCHASED--In March, the Kordofan Company for Trade and Engineering received 30 of the 150 Pegaso buses it had purchased from the Enasa Corporation (Spain). This purchase is financed up to \$11.1 million by a Spanish loan, which also provides for the supplying of spare parts for \$1 million and the construction of workshops for \$300,000. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1904, 7 May 82 p 1205] [COPYRIGHT: Rene Moreux et Cie Paris 1982] 9927

MIXED FLOUR PRODUCTION--In view of a growing consumption in Africa of wheat flour, which is in short supply there and hard to produce locally, the FAO and the UNDP [UN Development Program] launched a project in 1975 to promote African grains. One of the facets of that project was the creation in Shambat (Sudan) of a Food Research Center with facilities which included a mill and a pilot baking-oven. Research conducted there resulted in a mixed flour milled from sorghum (durra variety) and wheat and with satisfactory color, nutritional qualities and taste. The center's bakery produces daily 1,500 loaves of bread and more than 2,000 rolls containing between 15 and 20 percent of sorghum. In Khartoum, a flour mill has started producing this mixed flour and it mills between 3 and 5 tons a day. Another mill is under construction in Wad Madani. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1903, 30 Apr 82 p 1146] [COPYRIGHT: Rene Moreux et Cie Paris 1982] 8796

MILK PLANT--The Kuku milk plant is a joint venture project launched in partnership by the Sudanese state company Animal Production Public Corporation (APPC) with a 37.5 percent share; the Sudan Development Corporation [SDC] with a 37.5 percent share, the Swedish company Alfa-Laval with a 12.5 percent share; and the Swedish International Development Agency (SIDA) for the rest. By the middle of this year, this plant is expected to have a daily output of 60,000 liters of reconstituted pasteurized milk made from powdered milk and butter oil. The project is financed by Sudan to the amount of \$6 million and by Sweden which provided \$3 million. A production company has been created and will be given \$2.2 million by the SIDA and a \$3 million loan by the SDC. The success of this project depends on the efficiency of its distribution network (competition from the "donkey man" remains strong although the bacteriological quality of their milk is poor) and on whether or not this reconstituted milk appeals to the consumer. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1903, 30 Apr 82 p 1146] [COPYRIGHT: Rene Moreux et Cie Paris 1982] 8796

MODERNIZATION OF PORT SUDAN--The International Development Association (IDA), an affiliate of the World Bank, has extended to Sudan a credit of \$25 million destined to improve the physical handling capacity and the operational efficiency of Port Sudan. The project is mainly intended to improve the ability to handle unitized cargo and to prepare Port Sudan to increase the movement of roll on-roll off containers. Improvements will be introduced in the grain storage and handling facilities and in the communications system of the port. These improvements will enable Port Sudan to meet future requirements mostly by introducing the unitized cargo method in the existing piers. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1903, 30 Apr 82 p 1146] [COPYRIGHT: Rene Moreux et Cie Paris 1982] 8796

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SYRIA

OPPOSITION ABROAD SAID TO PLAN STRATEGY FOR COMBATING ASAD REGIME

Paris AL-WATAN AL-'ARABI in Arabic No 273, 7-13 May 82 pp 21-22

[Article: "European Security Mobilization to Meet the Possibility of a Counter-War Breaking Out"]

[Text] Is there a plan being prepared by the Syrian opposition to respond to the Syrian regime's terror with violence? In other words, is the war of liquidation abroad being met with a similar war, launched by elements of the Syrian opposition trained in this type of operation?

This is a very serious question. It was raised in several secret meetings of the "War Council" which was formed in Paris the morning after the massacre aimed at AL-WATAN AL-'ARABI on Rue Marbeuf.

The war council is tasked with countering the acts of violence and terror. It is composed of Interior Minister Gaston Defferre, General Seaulne, special chief of staff to the president, Maurice Grivot, the director of the office of the minister of the interior, Marion Fadir, director general of foreign security, and Chalet, Direction de La Surveillance de Territoire (internal security).

In order for this council to have a special importance and weight in the current circumstances, President Francois Mitterrand decided to chair it himself. He supervises its operations and discusses its plans and the ways of combating the terrorism that has spread its germs to France, which only yesterday was nearly isolated from the octopus of international violence.

The question currently occupying the war council and the French police and intelligence organizations is clear and definite: Is the Syrian-Syrian war of liquidation spreading to France?

This main question, for its part, spawns a group of questions that are currently being discussed in complete secrecy behind the scenes in various branches of French security.

Eye for an Eye and Tooth for a Tooth

The questions today are searching for definite answers. French authorities fear an extremist "reaction" from the Syrian opposition. French territory

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(apart from several European cities) would be a bloody stage for this. Among these questions:

1. Has the Syrian opposition movement, especially the Muslim Brotherhood, recently and secretly made a basic decision to respond to the liquidation with liquidation abroad?
2. What would prevent such a war between the Syrian regime and the opposition from being carried out in Europe?
3. How can this possibility be met?
4. What would be the repercussions of such a war on the future of French-Arab relations?
5. Will non-Syrian Arab or foreign elements participate in this "counter-war" this time, on behalf of the Syrian opposition?

Green Light

AL-WATAN AL-'ARABI, relying on reliable security sources, can confirm that these questions were raised at the highest security levels, not only in France, but also in other European nations, including West Germany, London, Austria and Spain, by virtue of the coordination and cooperation that exists among European security organizations in terms of combating terrorism. In an attempt to find convincing answers to various questions, the different French security organizations are today assessing the data and facts that AL-WATAN AL-'ARABI has uncovered.

Secret information has reached these organizations regarding a secret meeting of the leaders of the Muslim Brotherhood recently held in a European city, at which the possibilities of shifting "the battle" abroad, in certain very extraordinary cases, were discussed. This was in order to respond to internal massacres through "reprisal actions" that would deal with symbols of the Syrian regime or those who collaborate with it who live abroad permanently, or those who travel between one European city or another.

This information also indicates that the Syrian opposition movement discussed these possibilities from different angles, especially their pros and cons. Views were divided. There were those who said that "the battle is all one and cannot be divided. We are involved in a vicious war, in which the regime uses its airplanes and tanks against defenseless people. Consequently, it must be kept off balance through swift, tactical operations to paralyze its ability to move outside of the opposition's 'trap.' Foreign violence must be met with similar violence."

In its analysis, this view relies on a group of factors, the most important being that "foreign actions" will not be the alternative, but rather, they will be complementary and integrated with the domestic battle. Moreover, the general international view puts the Syrian regime in the column of "terrorist

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nations." The opportunity is now clearly propitious to take field action abroad, which could prompt the European countries to pursue the "saboteurs and terrorists" whom Rif'at al-Asad has sent to Europe. This would have positive repercussions in terms of causing the regime to lose the opportunity to assassinate the oppositionists, such as happened to the martyr Binan 'Assam al-'Attar in the German city of Aachen a year ago, to Salah al-Din Bitar and to one of the Muslim Brotherhood officials recently in Madrid, and so on.

Those who hold this view also say, in justifying reprisal operations, that the opposition is superior in this field due to several considerations, including the intense training to which the brotherhood is being subjected, and the joining of the "movement" by many youths who lost loved ones in the massacres of Tudmur, Aleppo and Hamah, as "kamakazis" seeking martyrdom in order to save Syria. They also say that the battle with the Syrian regime has reached the "breakingpoint" and all avenues are open, or rather, that they must be opened if they are to lead to the salvation or share in hastening its date.

The Other View

However, this overzealous view is not unanimous. There are those, within the opposition itself, who do not agree with it. The justifications and pretexts in this regard are numerous; perhaps the most important are the following:

1. Shifting the battle abroad "will only harm our people abroad, by virtue of the difficulties to which Syrians residing or traveling abroad will be subjected." The European police will of necessity impose strict controls over bearers of Syrian passports, and Syrians might be subjected to arbitrary detention both within and outside of airports, and some of them forcibly sent back to Syria, which might create "resentment" against reprisal operations abroad.
2. The real battle is at home. Anything other than that is just a "skirmish" which will not break the regime's neck, bearing in mind that they use up time, effort and lives that could be used in the homefront battle.

The fact is that this information that the European security organizations have gathered has given the "green light" to a broad assessment of the opposition's movements and the possibilities of an unstoppable war of liquidation breaking out.

The Madrid Incident

This has increased the fear that the Syrian opposition has begun intensive activity recently in a non-European country, in the midst of prophecies that the opposition has comprehensively assessed the symbols of the Syrian regime abroad, in terms of financiers, businessmen, journalists, merchants and students, and those who cooperate with Syrian Intelligence and informants. The incident of the shooting of Hasan Diyyub, the Syrian "cultural" attache in Madrid on 27 April, reinforces these fears, or rather, firmly establishes them. Preliminary investigations in Madrid indicate that persons unknown

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fired several shots at the cultural attache's car, while he was preparing to enter the garage of the building in which he lived. He returned the fire in kind.

Eye witnesses stated that the persons who carried out the operation fled, and the investigation has not determined their identity.

This incident, which was the first of its kind, has caused several European countries to ask: Has the counter-war begun? The most important question is: Has some political decision been made in this regard?

The French authorities began at once to study the possibilities of this war, especially since these organizations recently received secret information indicating that some persons identified with the Syrian regime were "threatened." AL-WATAN AL-'ARABI has confirmed that some security preparations have been made in this context.

On this premise, these organizations have assessed the Arab establishments identified with the Syrian regime which could be a "target" for some operation or other.

Search For Intelligence?

The security guard around the Syrian Embassy has also been reinforced, as well as the Syrian cultural center in Paris and the office of the Syrian news agency, which is directed by Ghassan al-Rifa'i. The principal operatives (such as Lt Col Gayyath Anis, nicknamed al-Zabib) requested the increased guard and are, for their part, taking individual precautions.

The dossiers of several Arab and Syrian persons in Paris have begun to be studied in order to determine their tendencies and leanings, and the possibilities which might be met.

This information is being exchanged with non-European security organizations. Is there a state of security mobilization?

Certainly!

It is also confirmed that the Syrian opposition has not disclosed its intentions. It has issued no statement regarding its course of action regarding these fears, nor has anyone publically taken responsibility for the shooting at the Syrian "diplomat" in Madrid. There are those who say, or rather, stress what Syrian Intelligence itself is behind the circulating of this information and the spreading of a climate of alarm in Europe, for the purpose of preparing for future bloody terrorist operations and pinning the blame on imperialism, and the Muslim Brotherhood, in a desperate attempt to get rid of the good "reputation" which pursues members of the regime in circles of world public opinion.

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SYRIA

COVERT ACTIVITIES CONDUCTED WITHIN FRANCE CITED

Paris AL-WATAN AL-'ARABI in Arabic No 272, 30 Apr-6 May 82 pp 25-26

[Article: "Syrian Intelligence 'Accomplishments' in Paris"]

[Text] If the French government had charged the Syrian authorities, either directly or indirectly, with the responsibility for the "Rue Marbeuf" crime, other various French political and media circles have been perfectly clear in their accusations against the Syrian authorities, in specifying the Syrian regime's responsibility for this crime.

The fact is that these accusations do not come forth out of a vacuum, but rather are generated by numerous precedents on the French scene, which bear the imprint of Rif'at al-Asad himself, and specifically his intelligence apparatus belonging to the Defense Companies.

There is no doubt that AL-WATAN AL-'ARABI has had a "lion's share" of this activity. It has been exposed to three criminal attempts in the last 2 years.

The first attempt happened in April 1980, and was aimed at the general supervisor, Comrade Walid Abu Thahr. It was his custom to leave his home in one of the old suburbs of Paris at exactly 0900 each day. However, contrary to custom, the morning of that day he delayed leaving for his office at AL-WATAN AL-'ARABI.

By coincidence, his neighbor opened the door of his apartment at exactly 9 am. He was immediately seized by masked men and beaten about the head with an iron bar.

When the criminals realized that the victim was a French citizen, they left him lying on the floor in a pool of blood and fled in an unknown direction. The police have been unable to apprehend the criminals, nor to determine their identity. However, Comrade Abu Thahr was clear in his accusation that it was Syrian Intelligence.

Due to the nature of things, the series of crimes did not stop at this. After AL-WATAN AL-'ARABI alone published the story of the assassination of the French Ambassador in Beirut, Louis Delamare, and exposed the role of Syrian Intelligence in the crime, it has received various threats. These threats

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have multiplied, since the French authorities have confirmed AL-WATAN AL-'ARABI's information regarding the Syrian regime's complicity in the case, and after other French newspapers (such as LIBERACION) expanded the exposure of this complicity. Accordingly, the second warning attempt occurred.

The AL-WATAN AL-'ARABI watchman, on the evening of 19 December 1981, discovered an explosive gift on the fourth floor in front of the entrance to our offices. The authorities were immediately called to defuse the device. If it had exploded, there would have been many victims.

As a result of the investigation, it was clear that a person named Mikha'il "Michelle" Kasuhah, who was described as a diplomat in the Syrian Embassy, was the one who prepared the explosive device.

Therefore, the French authorities sent a strongly worded letter to the Syrian government, in which they exposed Kasuhah's complicity in the crime. However, the Syrian regime has not responded.

The Hamah Massacres

The Syrian authorities believed that this explosive warning would be sufficient to threaten AL-WATAN AL-'ARABI and to silence it. However, we exposed the crime and published its details and directly accused Kasuhah. His picture was also published on the front page under this headline: "This 'Diplomat' Is Behind the AL-WATAN AL-'ARABI Explosion."

The threats continued against AL-WATAN AL-'ARABI, but the editorial direction continued as before. Then came the massacre in the Syrian city of Hamah. AL-WATAN AL-'ARABI was the only Arab magazine to give this event its proper attention and treatment. In consecutive issues, it devoted important space to the popular uprising in Hamah and other Syrian cities, shedding light on the number of victims (20,000 killed) and the methods of attacking the civilians (rape, cutting open pregnant bellies, plunder, intimidation and arrests without cause). AL-WATAN AL-'ARABI also left room for the opposition to voice various opinions and political leanings.

However, as is the nature of things, that did not please the Syrian regime. Accordingly, AL-WATAN AL-'ARABI received secret information from Damascus indicating that a team of Syrian suicide commandos would be going to Paris to carry out "something" against AL-WATAN AL-'ARABI or its general supervisor.

The French police confirmed this information for AL-WATAN AL-'ARABI and immediately took precautionary security preparations.

They also undertook secret surveillance of some diplomats from the Syrian Embassy, including someone called Hasan 'Ali (Naval Commander, Acting Military Attache), and Mikha'il Kasuhah, the assistant cultural attache, who received his orders from Lt Col Gayyath Anis in the Embassy, and who sometimes cooperates with Sabba Nasir, the cultural attache in the Embassy.

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However, the blowing up of AL-WATAN AL-'ARABI was not the only "indicator" of the Syrian Intelligence apparatus in Paris. The secret French investigation discovered that Hasan 'Ali had been observing the offices of AL-WATAN AL-'ARABI in Rue Marbeuf from inside a white Mercedes. There was cooperation between him and Kasuhah. In a subsequent incident, they participated in the Syrian demonstration against the regime, which took place on the Boulevard Saint Germain Du Paris on 5 March, by both of them acting to break up the demonstration and beating those that organized it with iron clubs and chains. AL-WATAN AL-'ARABI was the only one to publish a picture of Kasuhah, caught "redhanded."

The Accomplishments Are Many

If we were to take a look behind some of the incidents, we would find that the Syrian regime's imprint is behind the assassination of Salah al-Din Bitar (July 1980) in Paris. The French organizations have a thick dossier on this matter.

The Facts Are Numerous

Hasan 'Ali himself kidnapped the Syrian officer, Barid al-Baridi, from Paris, because he had connections with certain opposition circles, and "sent" him to one of the Damascus prison cells.

The investigation has so far not learned the way in which al-Baridi was gotten out of Orly airport.

There are other operations as well in the file of charges, including the murder of the Syrian student, Zhafir al-Attasi, by a bomb in his room in Paris, as well as the strangulation of another opposition Syrian student in Strasbourg.

Elements from Syrian Intelligence slipped into his bathroom and killed him. Other student elements in Lyon were directly tasked by Hasan 'Ali to open the mail boxes of Syrian students living in the city and to steal the letters that they receive.

The imprint of Syrian Intelligence was very clear in all these cases. In Nancy, another Syrian opposition student was recently stabbed with a dagger. The perpetrator was not discovered.

Syrian "Technology"

The tales of "Syrian students" in France who are with Syrian Intelligence are numerous and detailed. The Defense Companies received from Hasan 'Ali a secret report indicating that the opposition was very active in Syrian student circles and that many of them had begun to join the ranks of the opposition. Consequently, there is no doubt that surveillance of Syrian student circles was intensified. Rif'at al-Asad commanded his representative in Paris (Hasan 'Ali) that measures be taken.

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The Syrians wanted to find an appropriate "channel." The Ministry of Defense concluded a contract with one of the French institutes to train Syrian students on "the most modern technological means." The institute is the University Institute of Technology (IUT) and its headquarters is in the French city of Saint Denis. It has numerous branches in other French cities. The strange thing is that the Syrian Defense Ministry stipulated to the director of the institute that this contract be kept secret.

The French authorities are currently investigating the circumstances of this contract's signing and the reasons for the director of the institute agreeing to keep the matter secret, especially since there is no justification for keeping it secret so long as it is strictly scientific. However, the matter does not require a "soothsayer" to discover the circumstances of this agreement. Syrian Intelligence found itself a good "channel" to bring reliable elements, loyal to the regime, into France, under the guise of "scientific study." Some of these elements are charged with keeping an eye on Syrian student movements and to intervene, when necessary, to suppress any opposition movement. This is exactly what happened in the Boulevard Saint Germaine demonstration, in which some students from the various branches of this institute participated, for the purpose of suppressing the opposition demonstration.

The French Government is currently studying the status of this institute, and information available to AL-WATAN AL-'ARABI confirms the intention to abrogate the agreement with the Syrian Ministry of Defense, which has so far brought in about 400 students to study the "technology" of espionage.

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SYRIA

POLITICAL STYLE OF PRESIDENT HAFIZ AL-ASAD EXAMINED

Paris LE NOUVEL OBSERVATEUR in French 30 Apr 82 pp 38-39

[Article by G. S.: "The Al-Asad System"]

[Text] Disputes between France and Syria exist. There are differences of opinion on a distant country in the Near East and different views on the fate of Lebanon. Iraq, the enemy brother of Syria, purchases a part of its weaponry in Paris. The Delamare file has not been closed. These disputes do not prevent the two countries from continuing to maintain civilized relations.

The slide toward a secret war could perfectly well have been avoided if one had been dealing with a regime other than that which has governed in Damascus for 12 years. President Hafiz al-Asad and his brother Rif'at built a system which runs on violence in order to remain in power. Without this fuel, it stops.

When two nations differ as France and Syria do, they have a whole range of diplomatic procedures, economic sanctions and rhetorical battles with which to settle their quarrel. Under the al-Asad system, these procedures are deemed too mild. Moreover, a bomb is persuasive.

Between the ambassadorial dealings and war, the Near East has for some years concealed a middle path--international terrorism. More than an "energetic protest" and less than landing the marines, commando unit operations constitute a subtle blend of war and peace.

Syria was not the first to make use thereof. The Palestinians established the model. The Libyans and the Iraqis took up the model, but the Syrians did not join in until late. Two different forms of international terrorism can be distinguished. There is top level terrorism, wherein a foreign politician believed to be irreplaceable is seen as the problem. For example Faysal of Saudi Arabia, Moussa Sadr, the imam of the Lebanese Shiites, or Kamal Junblat, the Druse leader. They are eliminated--one less piece on the chessboard.

French School Training

Terrorism by intimidation is no longer popular. I have normal and perfectly cordial relations with someone. I want something from him. I kill his little

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2-year-old daughter, whom he adores, and I go to present my condolences to him as a saddened friend. He suspects that I am the assassin but he can do nothing against me except declare war on me. I can hope he will be more flexible.

This procedure is not without its efficiency in the emirates of the Persian Gulf, which are unstable states. Billions of dollars and not a few votes for the Arab League were won in this fashion. But that the Syrian government could imagine that what works in the emirates also works with a European country is definitive proof of the absolute isolation into which it has sunk.

The coronation of Hafiz al-Asad as head of state in 1971 was regarded as a real deliverance. He succeeded a team of frenetic "socialists" which had just barely spared the shoeshine boys in the wave of nationalizations, which broke off relations with the whole world except for the USSR, and suffered plunder by Israel in 1967. Al-Asad was a moderate: he moved closer to Egypt and then the West, allowed private enterprise to flourish and agreed to detente in domestic political life. The army, instead of decamping at the first shot fired, fought respectably against Israel. For the first time since 1945, Syria enjoyed the delights of a stable and almost popular regime.

But the rejoicing did not last long. Syria soon returned to its swirl of problems. The country has no fewer than 18 religious communities. The al-Asad brothers belong to the Alawite sect (10 percent of the population), the poorest and that most scorned. Hafiz al-Asad remembers the time when the sheik of his village was likely to be stoned if he went down to the city on a prayer day. For a thousand years, the Alawites have clung to the flank of a chain of mountains, Jebel el-Noussayriya, which drops away sharply into the Mediterranean. Grains of sand in a Sunnite ocean, they only came down from their rocky home to provide the pashas with fresh supplies.

At the origin of the split was a somewhat unorthodox interpretation of the message of the Koran. Like the Shiites, the Alawites venerate Ali, Mohammed's son-in-law. To this they add belief in a divine trinity--close to the Christian concept--believed to have appeared seven times in three different guises since time began. Exhausted from scratching a living from arid rock, the Alawites had little leisure to devote to theological subtleties. They do not know a great deal about their religion. All that they know is that they are the damned of the earth.

Hafiz al-Asad was born in 1930, during the French mandate, in Kardaha, one of those mountain villages built of dried mud. His father must have been a notable, because their home was a permanent one and the children were sent to the French school.

While the Sunnites (70 percent of the population) grumbled against and fought the French, the Alawites, on the contrary, saw colonialism's good aspects. They enlisted in the small Syrian army commanded by officers from Bordeaux and Strasbourg to earn a bit of money and to seize the opportunity to abuse the Sunnites, while the bourgeoisie in Damascus and Aleppo disdained the military, and sent their sons to study in the faculties of law and medicine.

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At 16, while attending the secondary school in Lattaquie, Hafiz joined the brand new Baas Party. To the accompaniment of whacks from a ruler, he was taught the prodigious history of France and Europe. The Baas Party taught him that the Arabs too could become a great nation. Their glorious past was in no way inferior to that of the greatest powers of the world. The renaissance would come when religious and tribal divisions were eliminated. United in a secular spirit and justice, the Arabs would raise themselves to the highest peaks. The horizon for Hafiz opened up. No inevitable force bound the Alawite to his mountain any longer. The days of contempt were past. To the two of us, Damascus!

Elected president of the students' committee at Lattaquie, and then in 1951 president of the Syrian students' congress, he enrolled in the war college in Homs. Syria had been independent for 6 years. It had experienced its third coup d'etat. The Baas Party knew that winning power depended on guns. It urged its young members to attend officers' school. The Alawites had less hesitation about enlisting in the military, a habit acquired under the French. Hafiz emerged as an air force lieutenant.

Head of State

It took the Baas Party only a dozen years to infiltrate the army sufficiently and to establish itself in power in 1963. It is still in power. Hafiz al-Asad, in an advantageous position, quickly rose to general and then commander in chief of the air force. From this strategic position he controlled the country. No coup d'etat against him was possible. The tanks and artillery could always try something, but the air force had the last word.

In order not to lose the ground gained, he needed to surround himself with reliable people. The party had divided up into military, civilian, pro-Egyptian, pro-Iraqi, leftist and moderate factions. Relying on it was risky. It was only possible to have confidence in someone of one's own family or tribe. Hafiz al-Asad then began to establish his Alawite nation within the Syrian state. It very soon became impossible to shake his position. When he was officially elected president of the republic in 1971, it was only a formality. He had long since had everything nailed down.

Kissinger was to say of him in his memoirs: "He is probably one of the greatest chiefs of state I have had occasion to meet." Probably one must ascribe a part of this compliment to diplomatic flattery, but it gives the man his due weight. To retain power in Damascus for more than 12 years is more than a performance: it is a miracle--the miracle of the special services and the militia.

Hafiz al-Asad did not have evil intentions. He sought to achieve a reconciliation with his old mentor, Salah Bitar, who along with Michel Aflak founded the Baas Party, instead of simply throwing him in prison. He talked with him for 4 hours. Without reaching any agreement. From his noble position, the president allowed Salah Bitar to depart for Europe. Where it was necessary to have him assassinated: the old gentleman continued to criticize the government.

When he sent his army to Lebanon in 1976, Hafiz al-Asad was implementing his dream as a young militant--to reestablish Greater Syria. Taken separately, each

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country in the Near East is weak and ungovernable. An empire extending over the entire region could put an end to the tribal quarrels and embody a glorious ambition. Was this not the very essence of Arab nationalism?

Neither the Lebanese nor the Palestinians could understand this language. One after the other, the Lebanese clans clashed with the troops of Hafiz al-Asad. He came as a liberator but was treated like an occupier. Particularly since his soldiers truly behaved like invaders.

A driver stopped at a Syrian barricade in a Beirut street. The sentry on duty did not even glance at him, but continued to sip his coffee. One had to wait until he saw fit to make a move. If one asked "May I pass?" he might well punish the questioner by letting him roast for 3 hours in the blazing sun with all the windows closed.

Syrian officers engaged in smuggling on a large scale to supply the markets in Damascus, still too "socialist" to be supplied in proper fashion. Shipments of hashish departed for the West, wisely escorted by colonels. Instead of providing security, the Syrians thought themselves clever in letting private armies multiply. In this they succeeded--causing the development of a Lebanese national feeling against them which had never before existed. Failure in Lebanon.

In the Baas tradition, al-Asad tried to secularize the country, getting a new constitution adopted in 1973 which did not specify the religion to which the chief of state should belong. There were demonstrations in all the towns and uprisings of Sunnite leaders which forced the president to yield. And to use machine guns against the rebels. Since then, religious opposition has been continuous, and so has repression.

Reign of Terror

The government prohibited demonstrations on the birthday of the Prophet. Baas Party militiamen tore the traditional veils from the faces of women still wearing them in the streets. The Sunnites became enraged and accused al-Asad of atheism. The Moslem Brothers headed the rebellion with a staggering degree of fanaticism. Their willingness to die is greater than the regime's effort to kill them. They always go out on operations wearing a belt full of grenades. The troops have orders to take them alive. When a Moslem Brother is cornered, he takes the pin from one of the grenades in his arsenal and blows himself up along with those seeking to arrest him. When a Moslem Brother is spotted today he calls out to the policeman: "Come and get me, then!" They form a circle, but at a distance. And the police summon the army: "We've found a Moslem Brother. You'll have to arrest him." The army arrives, moves into position and telephones the secret service: "We have a package for you." All this time, the Moslem Brother is laughing at them. He knows that they will never take him alive.

The intelligence service of the regime is frustrated by these fanatics. But its organization remains intact. It is based on Alawite personnel. Seventy percent of the officers at the army command post belong to the sect or are loyal to it,

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like 50 percent of the troops. But apart from the army, a special force of 50,000 men is almost 100 percent Alawite. It is commanded by the brother of the president, Rif'at.

From Beirut to Abu Dhabi, the mere mention of Rif'at's name causes terror. It is known that he is capable of anything, or everything.

Until a few months ago, three of his children attended the small French school in Damascus (indicating his devotion to our language, which is not unimportant). They no longer go to classes. Too dangerous. The Moslem Brothers might kidnap them. The leaders and the whole regime live in a constant state of siege. The president has had a palace-fortress built for himself on a hill in Damascus, from which he could shell the city, even if the whole of it were to rise in rebellion. The Alawites will not yield.

Control of a City

The rebellion in Hama a few weeks ago was put down with brutality rare in modern history. The al-Asad brothers subdued Hama like the Soviets and the Americans subdued Berlin. Then they forced the survivors to parade in a demonstration in support of the government. An astonished Syrian newspaperman remarked to a soldier: "There are a lot of people, after all." "Yes," the other responded, laughing, "but not as many as we killed." The operation pursued against Hama was entirely carried out by Alawite troops.

If there has not been a coup d'etat for 12 years, it is because the al-Asad brothers have invented a new science. In the 1930s, the coup d'etat technique was discovered. For their part, they have found a technique for preventing coups d'etat. It is not an exact science. The al-Asad brothers might lose one day. No one questions the effects of their fall. It would mean a bloodbath. The Alawites would be assassinated on every street corner. They would have but one last resort--to retreat with their special forces to Alawite territory.

Everything is ready on the Mediterranean coast of Syria to create an Alawite state in the event of disaster. Just as the Christians have their redoubt, the Alawites would have theirs. Which Syria would not recognize. A war would then be inevitable. Yet another.

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SYRIA

TEXT OF TRADE AGREEMENT WITH USSR

Moscow FOREIGN TRADE in English No 5, May 82 p 54

[Text]

The Government of the Union of Soviet Socialist Republics and the Government of the Syrian Arab Republic,

Guided by the provisions of the Treaty on Friendship and Cooperation between the Union of Soviet Socialist Republics and the Syrian Arab Republic of October 8, 1980, and the Long-Term Trade Agreement between the Union of Soviet Socialist Republics and the Syrian Arab Republic of November 4, 1965.

In connection with the successful implementation of the Agreement on Trade Turnover between the USSR and the SAR for 1976-1980 of January 24, 1976, and

Desiring to promote further development of trade between the two countries on a long-term basis,

Have agreed as follows:

Article 1

The trade turnover between the USSR and the SAR in the period from January 1, 1981, up to December 31, 1985, shall be effected in accordance with the lists attached to this Agreement subject to the provisions of the Long-Term Trade Agreement and the Payments Agreement between the Union of Soviet Socialist Republics and the Syrian Arab Republic of November 4, 1965.

The Parties shall undertake the necessary measures for ensuring the deliveries of goods between both countries in accordance with the above-mentioned lists and they shall also strive to increase the volumes of mutually delivered goods. In this connection, foreign trade organisations of the USSR and physical and legal persons of the SAR may also conclude contracts for delivery of goods not included into these lists or over and above the quantities or amounts indicated therein.

Article 2

The Long-Term Trade Agreement and the Payments Agreement between the Union of Soviet Socialist Republics and the Syrian Arab Republic of November 4, 1965, shall at least be in force until December 31, 1985, with their possible further prolongation according to Article 23, Clause 4, and Article 12 of these Agreements.

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Article 3

To facilitate the implementation of this Agreement both Parties shall, if necessary, consult one other. For this purpose representatives of both Parties shall meet at the proposal of either of them at an agreed place and time.

Article 4

This Agreement shall be subject to approval in accordance with the constitutional procedure of either country and it shall come into force from the date of exchange of notes of approval, however, its provisions shall temporarily apply from January 1, 1981.

Done at Moscow on May 28, 1981, in two originals, each in the Russian and Arabic languages, both texts being equally authentic.

For the Government of the Union
of Soviet Socialist Republics

For the Government of the Syrian
Arab Republic

N. D. Komarov

Mohammed Al-Atrash

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English Translation "Foreign Trade" 1982

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TUNISIA

TUNISIAN-LIBYAN RAILWAY PROPOSED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1909, 11 Jun 82 p 1500

[Text] The bulletin of economic news Hungaro-Press, published by the Hungarian Chamber of Commerce, is publishing the report below on the studies of the projected rail link between Gabes, in Tunisia, and the Libyan-Egyptian border. A Hungarian firm was commissioned with these studies.

In North Africa, the countries situated on the coast of the Mediterranean should be linked by a transcontinental railway several thousand kilometers in length. Only the Egyptian section of this line has been built thus far, and it operates as far as the Libyan border. The line which is to run from Gabes, in Tunisia, across Libya to the Egyptian border has not been built. In 1972, the Governments of Tunisia and Libya set up a joint commission which in 1974 initiated an international contest for the submission of studies for a standard-gauge railway between Sfax, Gabes and Tripoli. At the end of this international contest, the commission charged the Enterprise for the Study of Roads and Railways (Uvaterv) of Budapest with carrying out the studies. This line will be about 500 km long. As regards the completion of the Sfax junction point, an alternate route has been proposed which would permit the normal flow of port traffic in keeping with the urban development projects. This alternative was accepted in agreement with the communal council.

The cross-section of the projected line is expected to feature a 7.20-meter wide embankment and a 9.20-meter wide cutting. The embankment is surfaced with a layer of asphalt eight centimeters thick in order to drain off surface water and increase the load capacity of the substructure.

The line from Sfax to Gabes necessitates the construction of thirty large bridges and 272 smaller bridges of reinforced concrete. The section extending from Gabes to the border includes 35 large bridges and 184 smaller ones. From Tripoli to the border and to Tripoli itself, it will be necessary to build 21 causeways, six high-level bridges as well as 50 small reinforced concrete bridges and tubular culverts. The railway bridges, causeways and culverts which will connect at the railway line are all standardized structures.

The line would have 31 stations of which 28 stations will be for passengers and three stations for cargo. In addition, the studies also include 82 other buildings, corresponding to 41 different models, which will help operate and service the railroad. Uvatern has also begun studies for eight underground passages and water towers in two sizes to be constructed in seven places.

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END